MR. R. NILAKANTA PILLAI (*Financial Secretary to Government*): Sir, I rise to present the budget estimates for the year 1109. This is the first budget presented before both the Chambers of the Legislature constituted under Regulation II of 1108. With the passing of the new Regulation, the expenditure relating to Ports Currency and Mint, State Charities and Railways which was non-votable under the old Regulation has been made votable. Further, the expenditure relating to all appointments carrying a salary of less than Rs 500 per mensem is now brought within the purview of the Legislature, as against the limit of Rs 125 per mensem fixed under the oldRegulation.

The draft budget for the year 1109 has been prepared on the above basis and the revised estimate figures for 1108 have also been adjusted suitably, wherever possible.

Now I shall briefly touch upon the results of the last completed financial year before proceeding to explain the revised estimates for the current year and the budget estimates for the next year.

ACTUALS OF 1107.

2. The ordinary revenue and expenditure charged to revenue for 1107 were Rs 219·28 lakhs and Rs 218·90 lakhs respectively against the revised estimate of Rs 215·42 lakhs and Rs 221·42 lakhs. The year thus closed with a small surplus of Rs ·38 of a lakh as against the anticipated deficit of Rs 6·00 lakhs. This improvement was brought about by the increase in revenue realisations to the extent of Rs 3·86 lakhs and by savings in the anticipated expenditure which amounted to Rs 2·52 lakhs. The increase in revenue was mainly under Stamps (1·81), Salt (·85), Forest (·67), Customs (·39) and Registration (·48), due to better collections during the latter part of the year. The receipts under Taxes on Income and Excise, however, declined by Rs ·30 of a lakh and Rs ·48 of a lakh, respectively. On the expenditure side, the decrease was mostly under Education (1·10) and Buildings, Communications and Miscellaneous Public Improvements and Protective Irrigation (1·23), due to the lapse of budget provision under the above heads. The receipts from the Sale of Government lands and the Capital Expenditure not charged to revenue amounted to Rs 1·30 lakhs and Rs 20·34 lakhs respectively as against the revised estimates of Rs 1·50 lakhs and Rs 19·02 lakhs. The Government Account balance which was expected to stand at Rs 117·97 lakhs thus rose to Rs 122·84 lakhs at the close of the year.

Before passing on to the revised estimates for the current year, I shall explain briefly the more important changes in classification adopted in the budget.

(1) The Kandukrishi lands of all kinds lying scattered throughout the State are the personal and private property of His Highness the Maha Raja and His Highness has full proprietory rights over these

LIBRARY ARCHIVES Kerala Legislative Assembly

lands and the revenue derived therefrom. His Highness the Maha Raja has now been pleased to command that the Kandukrishi revenue from 1107 onwards should enure to the Palace, the cost of collection and other charges which are now classified under the budget head "Land Revenue—Kandukrishi Cutcherries and Nelpuras" being deducted from the gross receipts. As the payment of the net revenue to the Palace for any year can be made only in the succeeding year after the closing of the final accounts, the receipts from Kandukrishi lands and the cost of collection, etc., thereof are exhibited under a separate budget head "Kandukrishi Fund."

(2) Under Section 28 (4) of the Travancore Legislative Reforms Regulation, II of 1108, the expenditure under the major head "State Charities" is subject to the vote of the legislature. An analysis of the several items comprising this major head has, however, shown that many items are either closely associated with the religious practices sanctioned by His Highness the Maha Raja or are closely allied to ordinary Devaswom expenditure. These items have therefore been separated from the major head "State Charities" and classified under the major head "Devaswoms." To facilitate easy comparison, the revised and the budget estimate figures for the current year and the actuals of 1107 have also been suitably re-classified.

(3) As the new Legislative Reforms were brought into force with effect from 1st January 1933 corresponding to 18th Dhanu 1108, division of expenditure into votable and non-votable was not possible in the revised estimate figures for the current year.

The other changes in classification adopted in the budget are explained in the Chief Account Officer's Memorandum explaining the budget estimates for 1109.

REVISED ESTIMATES FOR 1108.

3. The estimates for the current year were for an aggregate revenue of Rs 223·19 lakhs and provided for a programme of expenditure to be met from revenue, of Rs 222·04 lakhs leaving a surplus of Rs 1·15 lakhs. But, on the basis of the actuals so far known, the revenue is expected to stand revised at Rs 232·88 lakhs and the expenditure charged to revenue at Rs 231·71 lakhs. The current year is thus expected to close with a revenue surplus of Rs 1·17 lakhs. The ordinary revenue for the year is expected to be better than the original anticipations by Rs 9·69 lakhs. The increases expected are mainly under Customs (5·63), Interest (2·98), Buildings, Communications and Miscellaneous Public Improvements (2·54), Stamps (1 81), and Abkari and Opium (1·33). Under Customs, a net revenue of Rs 10 lakhs only was estimated in the budget from our participation in the Cochin Harbour Scheme, but the actual receipts amounted to Bh. Rs 12,71,721. Again our import revenue shows an increase of Rs 1·75 lakhs due mainly to the import of a larger quantity of copra from Ceylon. The

LIBRARY ARCHIVES Kerala Legislative Assembly